



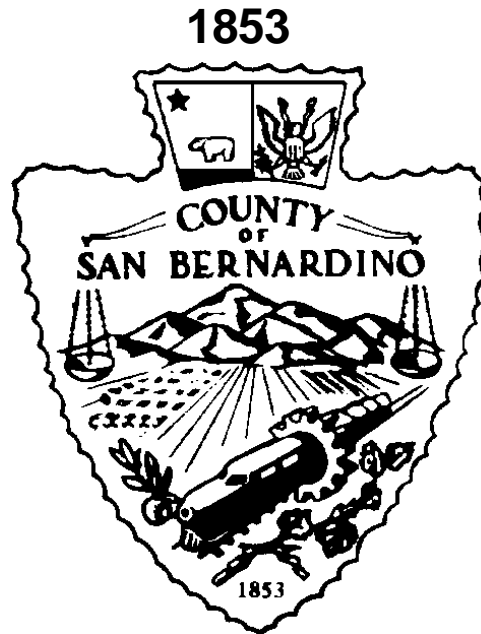
San Bernardino COUNTY Comprehensive Annual Financial Report

For the Year Ended June 30, 2004

**Larry Walker,
Auditor/Controller-Recorder**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2004
COUNTY OF SAN BERNARDINO**



Supervisor Bill Postmus.....First District
Supervisor Paul Biane Second District
Supervisor Dennis Hansberger, Chairman Third District
Supervisor Patti Aguiar..... Fourth District
Supervisor Clifford YoungFifth District

Mark Uffer –County Administrative Officer

*Prepared by the Office of the Auditor/Controller-Recorder
Larry Walker, Auditor/Controller-Recorder*

**COUNTY OF SAN BERNARDINO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2004**

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Introductory Section

1853



County of San Bernardino

AUDITOR/CONTROLLER-RECORDER COUNTY CLERK



COUNTY OF SAN BERNARDINO

AUDITOR/CONTROLLER • 222 West Hospitality Lane, Fourth Floor
San Bernardino, CA 92415-0018 • (909) 387-8322 • Fax (909) 386-8830

RECORDER • COUNTY CLERK • 222 West Hospitality Lane, First Floor
San Bernardino, CA 92415-0022 • (909) 387-8306 • Fax (909) 386-8940

LARRY WALKER

Auditor/Controller-Recorder
County Clerk

ELIZABETH A. STARBUCK

Assistant Auditor/Controller-Recorder
Assistant County Clerk

November 19, 2004

**THE HONORABLE BOARD OF SUPERVISORS
COUNTY OF SAN BERNARDINO
County Government Center
385 North Arrowhead Avenue
San Bernardino, CA 92415-0110**

Honorable Board Members:

The Comprehensive Annual Financial Report of the County of San Bernardino for the fiscal year ended June 30, 2004 is submitted herewith in compliance with Section 25253 of the Government Code of the State of California and Article V, Section 8 of the Charter of the County of San Bernardino.

The accompanying Basic Financial Statements were prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board, the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data is presented in a manner designed to fairly set forth the financial position and results of operations of the County, and that all disclosures necessary to enable the reader to gain a full understanding of the County's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections:

- The Introductory Section includes this transmittal letter, the County's organizational chart, and a list of principal County officials.
- The Financial Section includes the independent auditor's report, Management's Discussion and Analysis (MD&A), the basic financial statements and notes, and supplemental statements and schedules necessary to fairly present the financial position and the results of operations of the County in conformity with generally accepted accounting principles. The County's MD&A can be found immediately following the report of the independent auditors.
- The Statistical Section includes selected financial and demographic information of the County, generally on a multi-year basis, and is unaudited.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Information related to this single audit, including the schedule of expenditures of federal awards, schedule of findings and questioned costs, and the independent auditor's report on compliance and internal control, are published separately from this report.

THE REPORTING ENTITY AND ITS SERVICES

The County of San Bernardino, located in Southern California, was established by an act of the State Legislature on April 26, 1853, forming the County from the eastern part of Los Angeles County. The County is a charter law county divided into five supervisorial districts on the basis of population. The County encompasses an area of over 20,000 square miles and includes twenty-four incorporated cities. In terms of land area, it is the largest county in the contiguous United States. The County is also one of the fastest growing areas in the nation and is the fifth most populous of the 58 counties in California.

The County provides a wide range of services to its residents including police protection, criminal prosecution, medical and health services, education, senior citizen assistance, roads, library services, support for judicial institutions, airport service, cultural and environmental services, parks and a variety of public assistance programs. Special districts and county service areas provide services to remote geographical areas and rapidly growing communities. These services include fire protection, parks, flood control, water, sewer, street lighting, and roads.

The accompanying Basic Financial Statements include all organizations and other entities, functions and activities of the County for which the County Board of Supervisors is financially accountable. Also included are numerous self-governed school and special districts, for which the County acts as depository. The financial reporting for these entities, which are governed and act independently of the County of San Bernardino, is limited to reporting, as Investment Trust Funds, the total amount of cash and investments and other assets collected for, disbursed by, and held for, these entities.

INTERNAL CONTROLS

The County's internal accounting control system exists to provide reasonable, but not absolute, assurance that assets are safeguarded against loss or unauthorized disposition and to provide reliable records for preparing financial statements and maintaining accountability for assets. The County's Internal Audits Division actively participates in evaluating and upgrading the internal accounting control system.

As a recipient of federal and state financial awards, the County also is responsible for ensuring that an adequate internal control structure is in place to assure compliance with applicable laws and regulations related to public assistance programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff.

The County uses the modified accrual basis of accounting for its Governmental, Expendable Trust and Agency Funds. Revenues are recognized when they become measurable and available to finance operations of the year. Expenditures are generally recognized when the related fund liability is incurred except for principal and interest on long-term obligations, which is recognized when payment is due. The accrual basis of accounting is used for all Proprietary Fund Types and the Investment Trust Funds. Revenues are recognized when they are earned and become measurable and expenses are recorded when they are incurred.

The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's Board of Supervisors. Budgets are adopted for the General Fund, certain Special Revenue, Debt Service, and Capital Project Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the expenditure object level. Encumbrance accounting is utilized to assure effective budgetary control; purchase orders and contracts are reviewed and a determination is made that valid and sufficient appropriations exist for payment for ordered goods and services. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations expire at year-end and encumbrances outstanding at that time are reported as reservations of fund balance for subsequent year expenditures.

CASH MANAGEMENT

The County Pool represents monies entrusted to the County Treasurer by the County of San Bernardino, and by school and special districts, and other entities within the County. State law requires that all operating monies of the County, school districts and certain special districts be held by the County Treasurer. In addition, there are approximately \$55 million in "discretionary deposits." The County Pool does not include investments of the Deferred Compensation program or the County Employees' Retirement Association, which are separately managed.

The County by law pools its cash to facilitate investment opportunities for increasing interest income. The County's pooled cash and investments include U.S. Government and agency securities, commercial paper, money market mutual funds, negotiable certificates of deposits and repurchase agreements. The average rate of return on investments during fiscal year 2003-04 was 1.89% and the majority of investments were classified in the lowest credit risk category (see Note 6 to the Basic Financial Statements).

In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," the pooled cash and investments held in the County Treasury are reported at their fair value at June 30, 2004, which is \$11,773,800 less than amortized cost.

Monies deposited in the County Pool by the participants represent an individual interest in all assets and investments in the County Pool based upon the amount deposited. Interest income, gains and losses are distributed quarterly to the participants based on their average daily balance. Currently, Standard & Poor's Ratings Service rates this investment pool S1+ for market risk and AA+ for credit quality, which are the highest ratings attainable. Fitch's current rating for the County pool is AAA-/V-1+, for meeting the highest credit quality standards for underlying assets, diversification, management and operational capabilities. Moody's Investors Service also rates the investment pool at its highest credit rating, Aaa, and safest market risk rating, MR1. Amounts held in the County investment pool are invested in the Pooled Investment Fund of the County ("County Pool"), which invests in securities according to the Investment Policy adopted by the Board of Supervisors for the County Treasurer-Tax Collector as authorized by Section 53601 of the Government Code of California.

The Treasurer's investment policy allows for the purchase of a variety of securities with limitations as to exposure, maturity and ratings varying with each security type. The composition of the portfolio will change over time as old investments mature or are sold, and as new investments are made. The Pool provides monthly reporting of its assets by sector, average life, fair value and other features to both the Board of Supervisors and the County Treasury Oversight Committee who also approve the investment policy.

The County's Investment policy does not allow investments in derivative instruments in the treasury pool. None of the securities held by the County Pool are considered structured notes that incorporate "derivative" features, i.e., interest rates tied to alternative indices, formulas or other pricing features. Derivative securities exclude traditional floating rate securities tied to indices such as LIBOR, TBills, Fed Funds, etc. In addition, the County Pool does not invest in, nor has it ever invested in, "inverse floaters" nor does it invest in reverse repurchase agreements.

The fair value of the Pool will depend upon, among other factors, the maturities and types of investments and general market conditions. The current (June 30, 2004) market value analysis indicates an unrealized loss of approximately \$11.77 million. Historically, the Pool has held most of its securities to their respective maturity dates.

CASH MANAGEMENT - Continued

At June 30, 2004, approximately \$55 million of the Pool assets are attributable to "discretionary" participants who are not legally required to deposit funds in the Pool. Such participants may withdraw their funds from the Pool upon 30 days' notice to the Treasurer, and only with prior approval of the Treasurer. The liquidity of the Pool will vary depending upon the mix and type of investments therein, and the net cash inflows and outflows at any given time. The Treasurer-Tax Collector manages the Pool to ensure sufficient liquidity exists, given reasonable anticipated cash needs. Current liquidity in the portfolio, consisting of cash, cash equivalents and investments with maturities of less than 60 days, is approximately \$985,861,922. The weighted average maturity of all investments at June 30, 2004 was 316 days, with an effective duration of 0.71 years.

The County believes that the County Pool is prudently invested and that investments therein are scheduled to mature at the times and in the amounts that are necessary to meet the County's expenditures and other scheduled withdrawals.

The County utilizes a Countywide banking program with a major bank, which is referred to as "Consolidated Banking," which accelerates the collection and deposit of monies by participating departments into the County Treasury making them readily available for investment.

DEBT MANAGEMENT

The County maintained the top debt rating for short-term issues throughout fiscal year 2003-04. For other issues, Standard & Poor's rating is A with stable outlook, and Moody's rating is A2. The following is a summary of the County's short-term borrowing highlights of 2003-04.

SHORT-TERM BORROWING

In July 2003, the County issued Tax and Revenue Anticipation Notes totaling \$140,000,000. The notes were issued at a nominal rate of 1.50% and a true interest cost of 0.804%. Standard & Poor's Rating Service and Moody's assigned ratings of SP-1+ and MIG1 respectively. These notes matured on July 1, 2004. The proceeds of the notes were used to meet the County's cash flow needs including General Fund expenditures (both current and capital expenditures).

RISK MANAGEMENT

The County has self-insurance programs for public liability, unemployment insurance, employee dental insurance, hospital and medical malpractice liability and Workers' Compensation. Public Liability claims are self-insured up to \$250,000 per claim or occurrence. Excess insurance coverage over the SIR up to \$30,000,000 is with CSAC Excess Insurance Authority Liability Program II (CSAC EIA).

All public officials and County employees are insured under a blanket Comprehensive Disappearance, Destruction and Dishonesty Policy covering County monies and securities, also with CSAC EIA with a \$100,000 deductible and excess limits up to \$10,000,000 per claim or occurrence.

Workers' Compensation claims are self-insured up to \$1,000,000 per claim or occurrence. Excess limits up to \$2,000,000 for Employers' Liability and statutory Workers' Compensation limits are provided by an excess Workers' Compensation Insurance Policy through the CSAC EIA.

Property damage claims are insured with the CSAC EIA through the Property Program over a \$25,000 deductible.

The activities related to such programs are accounted for in the Risk Management Fund (an Internal Service Fund) except for unemployment insurance and employee dental insurance which is accounted for in the General Fund. The liabilities included in the Risk Management Fund are based on the results of actuarial studies and include amounts for claims incurred but not reported and allocated loss adjustment expenses.

RISK MANAGEMENT - Continued

It is the County's practice to obtain actuarial studies at least biennially. Revenues of the Risk Management Fund together with funds to be provided in the future, via the Security Payment Program or GIC, will provide adequate resources to meet public liability, workers' compensation, property and hospital and medical malpractice liabilities as they come due.

MAJOR INITIATIVES

In June 2004, the County issued \$463,895,000 of Pension Obligation Bonds consisting of \$189,070,000 Series 2004 A Fixed Rate Bonds, \$149,825,000 Series 2004 B Auction Rate Bonds and \$125,000,000 Series 2004 C Index Bonds. The bonds are insured and have been rated Aaa by Moody's and AAA by Standard & Poor's. The final maturity of the 2004 Series A bonds is August 1, 2018. The final maturity of the 2004 Series B and 2004 Series C bonds is August 1, 2023.

The bonds were issued to pay the County's Unfunded Accrued Actuarial Liability (UAAL) that existed at June 30, 2003. This liability was owed to the San Bernardino County Employees' Retirement Association (SBCERA), and, if not paid, would have been amortized over a period of 20 years, at an interest rate of 8.16%.

The average coupon on the Series 2004 A bonds is 5.56%. The Series 2004 B and 2004 Series C bonds are variable rate bonds. In connection with the issuance of the 2004 Series C bonds, the County entered into an interest rate swap agreement. This agreement effectively exchanges the variable rate liability on the Series 2004 C bonds to a fixed rate of 6.382%.

Although the interest rate on the 2004 Series B bonds will fluctuate over time, the County estimates, using historical interest rate trends, that the overall blended interest rate on all the 2004 bonds (Series A, B and C) will be 5.52%. When compared to the 8.16% interest rate that would have been charged by SBCERA, the County anticipates that it will save approximately \$194 million dollars between July 2004 and August 1, 2023 due to the issuance of these Pension Obligation Bonds.

The County of San Bernardino Human Resources Department, Employee Benefits and Services Division, added a valuable new dimension to customer service this year with the annual Open Enrollment process accomplished entirely on-line through eBenefits. Open Enrollment is an annual opportunity for employees to change their benefit selections.

eBenefits facilitates employee self-service in managing a variety of benefits, and provides employee access 24 hours per day, either over the Internet or the County intranet website. Benefits staff established a variety of orientation methods to assist employees in switching from paper to on line services including:

- eBenefits Help Sessions in various locations
- Departmental cooperation in arranging local access for employees without computers at work or at home
- County library computers available for employees to use
- Individual assistance upon request from Benefits staff
- Help Desk support

Implementation of eBenefits eliminated paper-processing costs, including the necessity for temporary help and overtime for existing staff. In addition, the cost for scanning paper documents was reduced by utilizing on-line enrollment. The release of eBenefits this year resulted in an overall estimated cost savings of \$52,000 as compared to the year before.

Initial feedback indicates employees responded favorably to eBenefits and found the Open Enrollment on-line process quick, easy and secure. Average time spent completing enrollment was under fifteen minutes.

MAJOR INITIATIVES - Continued

The Grand Prix Fire began in North Fontana in the afternoon of October 21, 2003. It quickly spread into the San Bernardino National Forest; then, aided by Santa Ana winds, into the communities of Lytle Creek, Alta Loma, Etiwanda, Rancho Cucamonga, Upland, Claremont, La Verne, and San Dimas. Over 54,000 people were evacuated before it was contained on November 4th. The Grand Prix burned 69,894 acres, destroyed 194 homes and 1 commercial structure, and caused 35 injuries. The cost to fight this fire was \$11,544,000.

While the Grand Prix Fire continued to burn, the Old Fire began in Waterman Canyon the morning of October 25th. It spread downhill into San Bernardino and in to the City of Highland. The Santa Ana winds subsided and the west winds then pushed the fire into the dead, dying, and diseased San Bernardino National forest and the many communities located there. Before it was contained on November 4th, the Old Fire burned 91,281 acres, 940 homes, and 30 commercial structures. Although this fire claimed six lives and injured 12, over 70,000 people were evacuated safely at night, without power. The cost of this fire was \$37,650,000.

San Bernardino County's pre-planning efforts paid off. The County's Emergency Operations Center (EOC) was instrumental in multi-agency and interdepartmental coordination, evacuation planning, and providing shelters for both residents and animals. The County established a Fire Emergency Local Assistance Center (FELAC) to provide assistance, information, and services to evacuees.

The San Bernardino County Fire Department was part of the unified command for both fires and played an integral part in the management of the incidents through resource management, pre-planning, incident oversight, Incident Command, and operations supervision.

ECONOMIC CONDITION AND OUTLOOK

The County of San Bernardino consists of an area of more than 20,000 square miles, and is the largest County in the contiguous United States. The County contains 24 incorporated cities and has a diverse population of more than 1.8 million people.

In 2003, Entrepreneur Magazine, in conjunction with Dun and Bradstreet rated the San Bernardino/Riverside County (Inland Empire) area as the 5th best location in the West for entrepreneurs, and the 4th best area in the West for Job Growth. In March of 2004, Inc. Magazine ranked the Inland Empire 2nd in the nation for entrepreneurs in the large metropolitan area category. In the article, economist Joel Kotkin referred to the San Bernardino/Riverside metro area as "The Golden State's Energizer Bunny". These findings mirror the State's own job outlook for San Bernardino County.

While job growth slowed in California and the rest of the nation in 2003, the Inland Empire continued its trend of job growth, even in the face of the state's budget crisis and widely-recognized non-favorable business climate. The Inland Empire lead the rest of Southern California with weakened, but steady job growth, according to economist John Husing.

Total residential building permits for San Bernardino and Riverside Counties were up 54.2% in 2003 over the 2002 figure. Some San Bernardino cities, such as Hesperia, saw a 300% increase over the 2002 figure. Sales of new and existing homes in the County continue to rise, due to the continued demand for affordable housing. And while the recent explosion in housing prices has had a negative effect on housing affordability, San Bernardino still enjoys the most affordable housing in all of Southern California. According to Dataquick, a real estate information service, median prices in San Bernardino County are still nearly \$80,000 less than Riverside County, our closest competitor, and over \$300,000 less than Orange County's median housing price.

The affordability of land in San Bernardino County continues to attract business and industry, as does the County's outstanding transportation network. Ontario International Airport was recently dubbed, "LA-Ontario" by the Los Angeles World Airports (LAWA) as part of a massive media campaign to increase passenger volume at the Ontario Airport. LAWA is encouraging the growth of Ontario International Airport, which has the

capacity to accommodate 10 million annual passengers, in order to relieve cramped conditions at Los Angeles International Airport and to relieve traffic congestion as well.

San Bernardino's transportation network also includes close proximity to the West's two largest seaports, the Port of Los Angeles and the Port of Long Beach. And the County houses the strategic intersection of two major transcontinental railroads with intermodal facilities and classification yards, ensuring the County's role as a major transportation carrier serving Southern California, the West Coast and the world.

The County of San Bernardino's unprecedented transportation system, rapidly expanding air passenger and freight volume, and its quality interstate highways--combined with affordable land and housing, continue to make San Bernardino County the best place to call home, and the best place to market products to the world.

INDEPENDENT AUDIT

The County's financial statements have been audited by Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants and independent auditors. The auditors' report is included in the financial section, which is an integral part of this Comprehensive Annual Financial Report.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of San Bernardino for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003. This was the sixteenth consecutive year that the County has received this prestigious award.

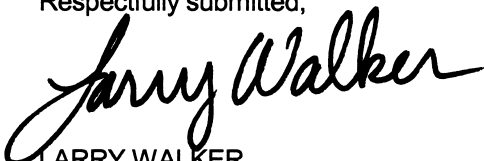
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to certificate program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of the Comprehensive Annual Financial Report and its timely issuance is the result of a concentrated, dedicated and coordinated effort by the entire Auditor/Controller staff. I would like to acknowledge the special efforts of the General Accounting, Internal Audits, and Reimbursable Projects staff and our independent auditors, Vavrinek, Trine, Day & Co., LLP, for their assistance in the report preparation. I would also like to thank all County departments who have participated in its preparation.

Respectfully submitted,

A handwritten signature in black ink, reading "Larry Walker". The signature is fluid and cursive, with the first name "Larry" and last name "Walker" clearly distinguishable.

LARRY WALKER
AUDITOR/CONTROLLER-RECORDER

**COUNTY OF SAN BERNARDINO
DIRECTORY OF COUNTY OFFICIALS**

ELECTED

COUNTY SUPERVISOR, FIRST DISTRICT (VICE CHAIR)BILL POSTMUS

COUNTY SUPERVISOR, SECOND DISTRICT PAUL BIANE

COUNTY SUPERVISOR, THIRD DISTRICT (CHAIR).....DENNIS HANSBERGER

COUNTY SUPERVISOR, FOURTH DISTRICT PATTI AGUIAR

COUNTY SUPERVISOR, FIFTH DISTRICTCLIFFORD YOUNG

ASSESSORDONALD E. WILLIAMSON

AUDITOR/CONTROLLER-RECORDER.....LARRY WALKER

CORONER/PUBLIC ADMINISTRATOR/PUBLIC GUARDIAN/CONSERVATOR..... BRIAN McCORMICK

DISTRICT ATTORNEY MIKE RAMOS

SHERIFF..... GARY PENROD

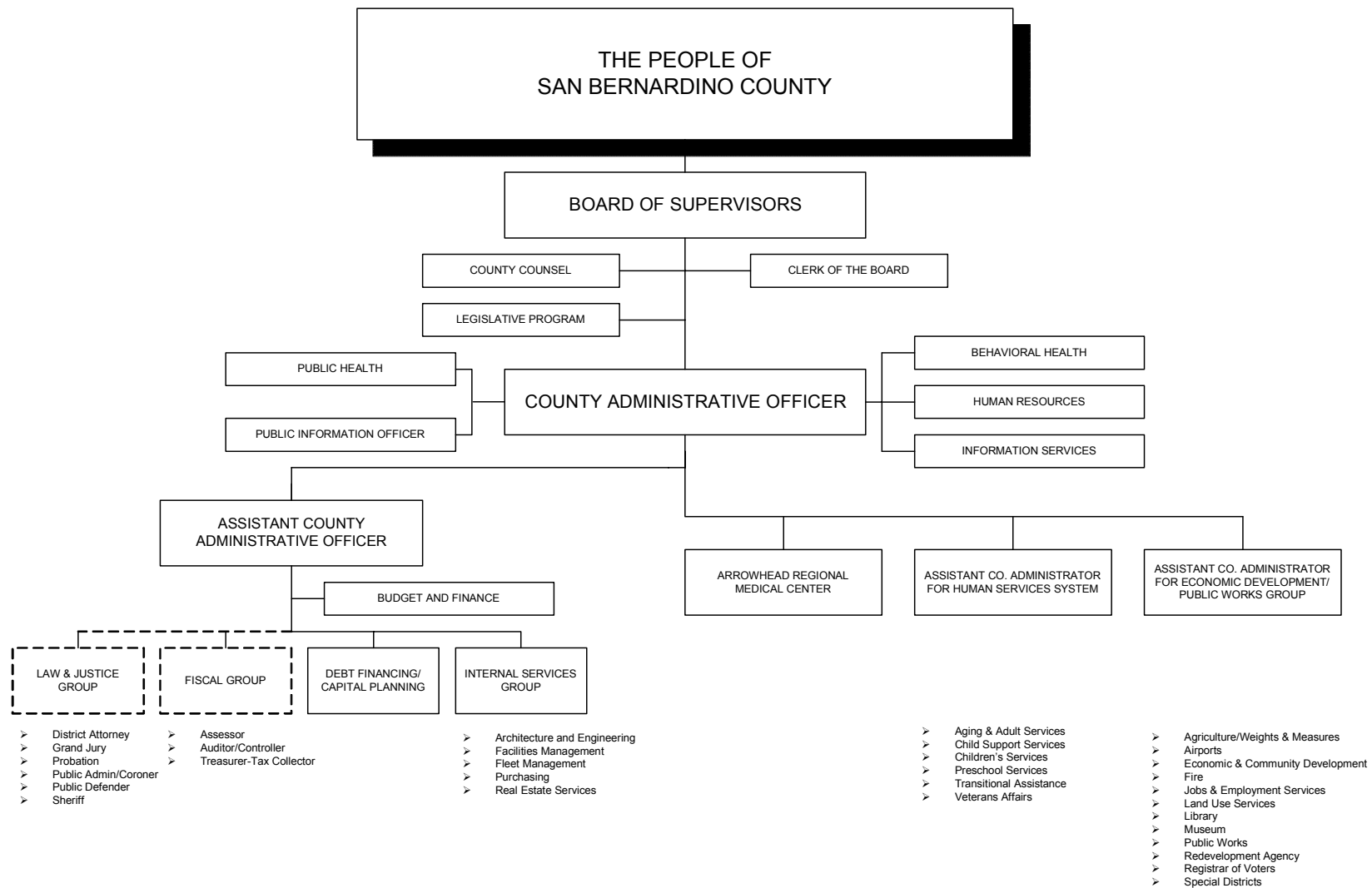
SUPERINTENDENT OF SCHOOLS DR. HERBERT R. FISCHER

TREASURER-TAX COLLECTOR..... RICHARD LARSEN

COUNTY OF SAN BERNARDINO DIRECTORY OF COUNTY OFFICIALS

APPOINTED

AGING AND ADULT SERVICES.....	MARY SAWICKI
AGRICULTURAL COMMISSIONER/SEALER.....	EDOUARD P. LAYAYE
AIRPORTS	BILL INGRAHAM
ARCHITECTURE AND ENGINEERING	DAN OJEDA
BEHAVIORAL HEALTH	(VACANT)
CHILD SUPPORT SERVICES	(VACANT)
<i>Previously, Cory Nelson</i>	
CHILDREN'S SERVICES.....	CATHY CIMBALO
CLERK OF THE BOARD OF SUPERVISORS	J. RENEE' BASTIAN
COMMUNITY SERVICES DEPARTMENT	PATRICIA L. NICKOLS
COUNTY ADMINISTRATIVE OFFICER.....	MARK UFFER
COUNTY COUNSEL.....	RON REITZ
COUNTY LIBRARIAN	ED KIECZYKOWSKI
ECONOMIC AND COMMUNITY DEVELOPMENT	THOMAS R. LAURIN
ECONOMIC DEVELOPMENT/PUBLIC SERVICES GROUP.....	NORM KANOLD
FACILITIES MANAGEMENT	DAVE GIBSON
FIRE DEPARTMENT/FIRE WARDEN	PETER R. HILLS
FLEET MANAGEMENT	ROGER G. WEAVER
HUMAN RESOURCES	ELIZABETH SANCHEZ
HUMAN SERVICES SYSTEM	CAROL ANSELM
INFORMATION SERVICES.....	LEYDEN HAHN
JOBS AND EMPLOYMENT SERVICES DEPARTMENT.....	BARBARA HALSEY
LAND USE SERVICES.....	MICHAEL HAYS
MEDICAL CENTER (INTERIM)	JUNE GRIFFITH-COLLISON
MUSEUM	ROBERT McKERNAN
PRESCHOOL SERVICES.....	ROBERTA YORK
PROBATION.....	JERRY L. HARPER
PUBLIC DEFENDER.....	JOHN ROTH
PUBLIC HEALTH	JAMES FELTON
PUBLIC WORKS (INTERIM).....	PATRICK MEAD
PURCHASING	AURELIO W. DE LA TORRE
REAL ESTATE SERVICES.....	DAVID H. SLAUGHTER
REGISTRAR OF VOTERS	SCOTT KONOPASEK
SPECIAL DISTRICTS (INTERIM).....	TOM SUTTON
TRANSITIONAL ASSISTANCE DEPARTMENT	LINDA HAUGAN
VETERANS' AFFAIRS.....	BILL J. MOSELEY



Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of San Bernardino,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial
Reporting is presented by the Government Finance Officers
Association of the United States and Canada to
government units and public employee retirement
systems whose comprehensive annual financial
reports (CAFRs) achieve the highest
standards in government accounting
and financial reporting.



President

Executive Director

